

105TH CONGRESS  
1ST SESSION

# H. R. 349

To amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 1997

Mr. STUMP introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Social Security Earn-  
5       ings Test Repeal Act of 1997”.

1 **SEC. 2. REPEAL OF PROVISIONS RELATING TO DEDUC-**  
 2 **TIONS ON ACCOUNT OF WORK.**

3 (a) IN GENERAL.—Subsections (b), (c)(1), (d), (f),  
 4 (h), (j), and (k) of section 203 of the Social Security Act  
 5 (42 U.S.C. 403) are repealed.

6 (b) CONFORMING AMENDMENTS.—Section 203 of  
 7 such Act (as amended by subsection (a)) is further amend-  
 8 ed—

9 (1) in subsection (c), by redesignating such sub-  
 10 section as subsection (b), and—

11 (A) by striking “Noncovered Work Outside  
 12 the United States or” in the heading;

13 (B) by redesignating paragraphs (2), (3),  
 14 and (4) as paragraphs (1), (2), and (3), respec-  
 15 tively;

16 (C) by striking “For purposes of para-  
 17 graphs (2), (3), and (4)” and inserting “For  
 18 purposes of paragraphs (1), (2), and (3)”; and

19 (D) by striking the last sentence;

20 (2) in subsection (e), by redesignating such sub-  
 21 section as subsection (c), and by striking “sub-  
 22 sections (c) and (d)” and inserting “subsection (b)”;

23 (3) in subsection (g), by redesignating such  
 24 subsection as subsection (d), and by striking “sub-  
 25 section (c)” each place it appears and inserting  
 26 “subsection (b)”;

1 (4) in subsection (l), by redesignating such sub-  
 2 section as subsection (e), and by striking “sub-  
 3 section (g) or (h)(1)(A)” and inserting “subsection  
 4 (d)”.

5 **SEC. 3. ADDITIONAL CONFORMING AMENDMENTS.**

6 (a) PROVISIONS RELATING TO BENEFITS TERMI-  
 7 NATED UPON DEPORTATION.—Section 202(n)(1) of the  
 8 Social Security Act (42 U.S.C. 402(n)(1)) is amended by  
 9 striking “Section 203 (b), (c), and (d)” and inserting  
 10 “Section 203(b)”.

11 (b) PROVISIONS RELATING TO EXEMPTIONS FROM  
 12 REDUCTIONS BASED ON EARLY RETIREMENT.—

13 (1) Section 202(q)(5)(B) of such Act (42  
 14 U.S.C. 402(q)(5)(B)) is amended by striking “sec-  
 15 tion 203(c)(2)” and inserting “section 203(b)(1)”.

16 (2) Section 202(q)(7)(A) of such Act (42  
 17 U.S.C. 402(q)(7)(A)) is amended by striking “de-  
 18 ductions under section 203(b), 203(c)(1), 203(d)(1),  
 19 or 222(b)” and inserting “deductions on account of  
 20 work under section 203 or deductions under section  
 21 222(b)”.

22 (c) PROVISIONS RELATING TO EXEMPTIONS FROM  
 23 REDUCTIONS BASED ON DISREGARD OF CERTAIN ENTI-  
 24 TLEMENTS TO CHILD’S INSURANCE BENEFITS.—

1           (1) Section 202(s)(1) of such Act (42 U.S.C.  
2           402(s)(1)) is amended by striking “paragraphs (2),  
3           (3), and (4) of section 203(c)” and inserting “para-  
4           graphs (1), (2), and (3) of section 203(b)”.

5           (2) Section 202(s)(3) of such Act (42 U.S.C.  
6           402(s)(3)) is amended by striking “The last sen-  
7           tence of subsection (c) of section 203, subsection  
8           (f)(1)(C) of section 203, and subsections” and in-  
9           serting “Subsections”.

10          (d) PROVISIONS RELATING TO SUSPENSION OF  
11          ALIENS’ BENEFITS.—Section 202(t)(7) of such Act (42  
12          U.S.C. 402(t)(7)) is amended by striking “Subsections  
13          (b), (c), and (d)” and inserting “Subsection (b)”.

14          (e) PROVISIONS RELATING TO BENEFITS INCREASED  
15          ON ACCOUNT OF DELAYED RETIREMENT.—Section  
16          202(w)(2)(B)(ii) of such Act (42 U.S.C. 402(w)(2)(B)(ii))  
17          is amended by striking “or 203(c)”.

18          (f) PROVISIONS RELATING TO REDUCTIONS IN BEN-  
19          EFITS BASED ON MAXIMUM BENEFITS.—Section  
20          203(a)(3)(B)(iii) of such Act (42 U.S.C.  
21          403(a)(3)(B)(iii)) is amended by striking “and subsections  
22          (b), (c), and (d)” and inserting “and subsection (b)”.

23          (g) PROVISIONS RELATING TO PENALTIES FOR MIS-  
24          REPRESENTATIONS CONCERNING EARNINGS FOR PERI-  
25          ODS SUBJECT TO DEDUCTIONS ON ACCOUNT OF WORK.—

1 Section 208(a)(1)(C) of such Act (42 U.S.C.  
2 408(a)(1)(C)) is amended by striking “under section  
3 203(f) of this title for purposes of deductions from bene-  
4 fits” and inserting “under section 203 for purposes of de-  
5 ductions from benefits on account of work”.

6 (h) PROVISIONS TAKING INTO ACCOUNT EARNINGS  
7 IN DETERMINING BENEFIT COMPUTATION YEARS.—  
8 Clause (I) in the next to last sentence of section  
9 215(b)(2)(A) of such Act (42 U.S.C. 415(b)(2)(A)) is  
10 amended by striking “no earnings as described in section  
11 203(f)(5) in such year” and inserting “no wages, and no  
12 net earnings from self-employment (in excess of net loss  
13 from self-employment), in such year”.

14 (i) PROVISIONS RELATING TO ROUNDING OF BENE-  
15 FITS.—Section 215(g) of such Act (42 U.S.C. 415(g)) is  
16 amended by striking “and any deduction under section  
17 203(b)”.

18 (j) PROVISIONS RELATING TO EARNINGS TAKEN  
19 INTO ACCOUNT IN DETERMINING SUBSTANTIAL GAINFUL  
20 ACTIVITY OF BLIND INDIVIDUALS.—The second sentence  
21 of section 223(d)(4) of such Act (42 U.S.C. 423(d)(4))  
22 is amended by striking “if section 102 of the Senior Citi-  
23 zens’ Right to Work Act of 1996 had not been enacted”  
24 and inserting the following: “if the amendments to section  
25 203 made by section 102 of the Senior Citizens’ Right

1 to Work Act of 1996 and by the Social Security Earnings  
2 Test Repeal Act of 1997 had not been enacted”.

3 (k) PROVISIONS DEFINING INCOME FOR PURPOSES  
4 OF SSI.—Section 1612(a) of such Act (42 U.S.C.  
5 1382a(a)) is amended—

6 (1) by striking “as determined under section  
7 203(f)(5)(C)” in paragraph (1)(A) and inserting “as  
8 defined in the last two sentences of this subsection”;  
9 and

10 (2) by adding at the end (after and below para-  
11 graph (2)(F)) the following new sentences:

12 “For purposes of paragraph (1)(A), the term ‘wages’  
13 means wages as defined in section 209, but computed  
14 without regard to the limitations as to amounts of remuneration  
15 specified in paragraphs (1), (6)(B), (6)(C),  
16 (7)(B), and (8) of section 209(a). In making the computation  
17 under the preceding sentence, (A) services which do  
18 not constitute employment as defined in section 210, performed  
19 within the United States by an individual as an  
20 employee or performed outside the United States in the  
21 active military or naval services of the United States, shall  
22 be deemed to be employment as so defined if the remuneration  
23 for such services is not includible in computing  
24 the individual’s net earnings or net loss from self-employment  
25 for purposes of title II, and (B) the term ‘wages’

1 shall be deemed not to include (i) the amount of any pay-  
2 ment made to, or on behalf of, an employee or any of his  
3 or her dependents (including any amount paid by an em-  
4 ployer for insurance or annuities, or into a fund, to pro-  
5 vide for any such payment) on account of retirement, or  
6 (ii) any payment or series of payments by an employer  
7 to an employee or any of his or her dependents upon or  
8 after the termination of the employee's employment rela-  
9 tionship because of retirement after attaining an age spec-  
10 ified in a plan referred to in section 209(m)(2) or in a  
11 pension plan of the employer.”.

12 (l) REPEAL OF DEDUCTIONS ON ACCOUNT OF WORK  
13 UNDER THE RAILROAD RETIREMENT PROGRAM.—Section  
14 2 of the Railroad Retirement Act of 1974 (45 U.S.C.  
15 231a) is amended by striking subsections (f) and (g)(2).

16 **SEC. 4. EFFECTIVE DATE.**

17 The amendments and repeals made by this Act shall  
18 apply with respect to taxable years ending on or after the  
19 date of the enactment of this Act.

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